

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re FOREST LABORATORIES, INC.	:	Civil Action No. 05-CV-2827-RMB
SECURITIES LITIGATION	:	
	:	<u>ELECTRONICALLY FILED</u>
	:	
This Document Relates To:	:	<u>CLASS ACTION</u>
	:	
ALL ACTIONS.	X	

DECLARATION OF MATTHEW P. MONTGOMERY IN SUPPORT OF LEAD
PLAINTIFFS' MOTION FOR CLASS CERTIFICATION

I, MATTHEW P. MONTGOMERY, declare as follows:

1. I am an attorney duly licensed to practice before all of the courts of the State of California, and am admitted *pro hac vice* in this Court with regard to the instant action. I am a member of the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP, one of the counsel of record for plaintiffs in the above-entitled action. I have personal knowledge of the matters stated herein and, if called upon, I could and would competently testify thereto.

2. I declare that:

(a) Attached hereto as Exhibit 1 is a true and correct copy of an excerpt from Forest Laboratories, Inc.'s ("Forest" or "the Company") Form 10-Q Quarterly Report for the period ended 6/30/02, which demonstrates that the number of Forest shares outstanding as of 8/14/02 was 179,739,589 or 359,479,178 when adjusted for the 12/02 stock split ($179,739,589 \times 2$). The average weekly trading volume as a percentage of outstanding shares at the start of the Class Period (8/15/02) is calculated by dividing average weekly trading volume for the Class Period (approximately 14.15 million – *see* Ex. 7) by the number of outstanding shares on 8/14/02 (359,479,178);

(b) Attached hereto as Exhibit 2 is a true and correct copy of an excerpt from Forest's Form 10-Q Quarterly Report for the period ended 9/30/04, which demonstrates that the number of Forest shares outstanding as of 11/9/04, soon after the end of the Class Period, was 368,407,033. The average weekly trading volume as a percentage of outstanding shares at the end of the Class Period (9/1/04) is approximated by dividing average weekly trading volume for the Class Period (approximately 14.15 million – *see* Ex. 7) by the reported number of outstanding shares on 11/9/04 (368,407,033);

(c) Attached hereto as Exhibit 3 is a true and correct copy of the resumé for the law firm Lerach Coughlin Stoia Geller Rudman & Robbins LLP;

(d) Attached hereto as Exhibit 4 are true and correct copies of the relevant excerpts from Nelson's Investment Research Database for the years 2001-2004, which demonstrates that more than 20 analysts covered Forest stock during the Class Period;

(e) Attached hereto as Exhibit 5 are true and correct copies of excerpts from Analyst Reports, which represent some of Forest's "third market makers" during the Class Period. Specifically, Exhibit 5 is comprised of excerpts from Analyst Reports by: (1) Angela Larson of Solomon Smith Barney, dated August 16, 2002, January 15, 2003 and January 13, 2004; (2) Timothy D. Coan of U.S. Bancorp Piper Jaffray Inc., dated August 15, 2002 and December 10, 2002; and (3) Anon of Donaldson Lufkin & Jenrette, Pershing Division, dated October 4, 2002;

(f) Attached hereto as Exhibit 6 is a true and correct copy of Forest's August 8, 1994 Registration Statement filed on Form S-3 with the SEC;

(g) Attached hereto as Exhibit 7 is a true and correct copy of a Bloomberg L.P. report of weekly trades in Forest stock (adjusted for a 12/02 two-for-one stock split). This report demonstrates that Forest stock was actively traded on the NYSE with an average trading volume of approximately 14.15 million shares per week and total trading volume of over 1.5 billion. The total trading volume of over 1.5 billion is calculated by adding together the weekly volume figures for the Class Period;

(h) Attached hereto as Exhibit 8 are true and correct copies of Bloomberg L.P. split-adjusted reports of historical pricing data of Forest stock for 8/02 and 11/04, which contain the prevailing share prices on 8/14/02 and 11/9/04. Exhibits 1 and 2 demonstrate that an approximation of the number of Forest shares outstanding as of 8/14/02 and 11/9/04 is 359,479,178 (split-adjusted)

and 368,407,033, respectively. Market capitalization is calculated as the number of shares multiplied by the prevailing share price;

(i) Attached hereto as Exhibit 9 are excerpts of a true and correct copy of Forest's Form 14A (proxy statement) filed on 6/27/02, which sets forth the approximate number of insiders' holdings at the start of the Class Period. The approximate number of insiders' holdings at the start of the Class Period when adjusted for the 12/02 stock split is 22,551,736 (11,275,868 x 2). Exhibit 1 demonstrates that the number of Forest shares outstanding as of 8/14/02 is approximately 359,479,178 (split-adjusted). The average weekly float of non-insiders' holdings at the start of the Class Period is determined by subtracting insiders' holdings (*see* Ex. 9) from the corresponding shares outstanding (*see* Ex. 1); and

(j) Attached hereto as Exhibit 10 are excerpts of a true and correct copy of Forest's Form 14A (proxy statement) filed on 6/28/04, which may be used to approximate the number of insiders' holdings at the end of the Class Period. Exhibit 2 demonstrates that the number of Forest shares outstanding as of 11/9/04 is approximately 368,407,033. The average weekly float of non-insiders' holdings at the end of the Class Period is determined by subtracting insiders' holdings (*see* Ex. 10) from the corresponding shares outstanding (*see* Ex. 2).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 24th day of May, 2007, at San Diego, California.

/s/ Matthew P. Montgomery
MATTHEW P. MONTGOMERY

CERTIFICATE OF SERVICE

I hereby certify that on May 24, 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on May 24, 2007.

/s/ Matthew P. Montgomery

MATTHEW P. MONTGOMERY

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Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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